

My background on this bill is that I am both a Power Sports Dealer (Honda, Yamaha, and Polaris) and an Implement Dealer (John Deere). As such, after agreeing to invest millions in the required infrastructure to become a franchise dealer, I have entered into numerous contracts with these global Original Equipment Manufacturers (OEMS).

This is not a contract between equals; rather this is a contract of adhesion. The definition I found on the internet is:

A **standard form contract** (sometimes referred to as an **adhesion contract** or **boilerplate contract**) is a contract between two parties that does not allow for negotiation, i.e. *take it or leave it*. It is often a contract that is entered into between unequal bargaining partners, such as when an individual is given a contract by the salesperson of a multinational corporation. Honda, Yamaha, Polaris, John Deere...are my examples.

Essentially the contract spells out that we, the franchise dealer, are in control of our Inventory numbers. In reality, without the laws protection, we are not.

The OEMs uses tools such as flooring availability, access to rebates for the customer, access to parts and warranty programs, access to advertising, and access to a myriad of other programs to **force** the franchise dealer into doing exactly what is best for the OEM, even if it risks the dealership, or reduces our consumer's options.

The old, We (OEM) recommend that you take..... Followed by, if you do not take....., you will not **qualify for**, and we may not be able to get you the product you ordered in a timely manner is often used to force compliance. With millions invested, we have no choice...

In pursuit of having actual control of our own inventory, we pursued a Power Sports bill based upon what the Auto side has, what the tractor side has, and what was being done in Washington State. We passed a bill last year. Unfortunately, while our in house Constitutional expert, Mr. Greg Petsch, did not find problems with the language, the OEMS are challenging the Constitutionality of the new law. In addition, the OEMS also managed to interpret several sections of the law in such a manner as to further limit the local franchise dealer, and their consumer's choice and franchising options. An attempt that could be interpreted as bullying franchise dealer's into repealing the law.

This bill is aimed at addressing these issues. The primary goal, as before, is to put the local franchise dealer, and the local consumers they answer to, in actual control of their own inventory. With what we have learned from this last two years, we hope we can get it done right. As always, there are never guarantees as the law can always be challenged in court...and we can't control the court's interpretation. However, armed with new knowledge from Montana, as well as info gleaned from what other states are now doing, we hope to create a scenario where the "contract of adhesion" can be addressed.

Thank you for your time;
Llew Jones (Owner Pure Bliss Cycle, Partner Frontline Ag.)